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NATIONAL GROWTH POLICY: NOTES ON THE FEDERAL ROLE

BY

DEMPSTER K. HOLLAND*

I. INTRODUCTION

National growth policy, a topic of increasing concern as a growing national population concentrates in smaller geographical areas, actually contains several disparate policies. The term "growth" in one sense implies only those policies which attempt to influence the number of persons in the country: two examples would be restrictions on immigration and programs to foster birth control. More often, however, the term is used to describe federal policies to influence the location of population. The growing concern about the location of population arises from a fear that recent population distribution trends appear to threaten several traditional aspects of American life, and that special efforts at the federal level are required to counteract the adverse effects of such trends.¹ Generally, four trends can be identified which appear to be focal points of proposals for a national growth

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1. "The problem of distribution of our population, of excessive growth in some areas and stagnation elsewhere, may be more readily susceptible to policy influence than growth itself. Distribution may also be the more pressing problem." REPORT OF THE NATIONAL GOALS RESEARCH STAFF, TOWARDS BALANCED GROWTH: QUANTITY WITH QUALITY 55 (1970), in D. HAGMAN, URBAN PLANNING AND CONTROLS: PROBLEMS AND MATERIALS (tent. ed. 1969). For the federal view see ADVISORY COMM'N ON INTER-GOVERNMENTAL RELATIONS, URBAN AND RURAL AMERICA: POLICIES FOR FUTURE GROWTH (1968) [hereinafter cited as ACIR REPORT].

policy: population decline in most rural areas, continuing growth of suburban areas resulting in urban sprawl, increasing concentration of population in megalopolises and abandonment of residential areas in inner parts of many central cities.

Concern about such trends, and attempts to reverse or modify them, necessarily requires a set of judgments that such trends are undesirable. For example, some advocates of a national growth policy may contend that the widespread growth of suburban areas leads to dehumanization and homogeneity of life, and that the consequent development of large metropolitan areas leads to a sense of individual anomie and loss of the sense of community participation. This is even more true, it is claimed, when several metropolitan areas merge into large megalopolises (the most striking being the Boston-Washington megalopolis). At the same time, more traditional communities seem to be dying: small towns and dense inner cities are losing population at a rapid rate with their occupants presumably thrust into the ever-growing metropolitan areas or, in the case of inner-city residents, into the less dense sections of such areas. At the heart of the objections seems to be a growing loss of community and its replacement by an impersonal society.²

The population shifts can also be objected to on the basis that they are costly. Abandonment of one area and settlement in another area has two costs: the loss of use of public capital facilities constructed for a population larger than now exists and the need to rebuild those facilities in the new area of settlement.³ This combined with the suburban propensity to develop a number of small municipalities rather than create one government, causes fiscal imbalances to develop which lead to highly varied levels of public service depending on the wealth of the residents and the accidents of commercial and industrial location.⁴

2. Abrams, *Housing in the Year 2000*, in ENVIRONMENT AND POLICY 209, 216 (W. Ewald ed. 1968); Williams, *Comment*, in ENVIRONMENT AND POLICY 411, 412 (W. Ewald ed. 1968).

3. Prentice, *Comment*, in ENVIRONMENT AND POLICY 233, 237 (W. Ewald ed. 1968). Thus, the fast-increasing cities of the South and West must invest substantial public resources in meeting the needs of the new population while schools may stand under-utilized in rural areas. Similarly, investments in streets, sewers and other public facilities in inner cities are not being used to capacity when the population moves outward to suburban areas. Suburban areas are then heavily taxed to duplicate the required public facilities.

4. E. STOCKWELL, *POPULATION AND PEOPLE* 268 (1968).

Finally, there seems to be a general feeling that things are simply becoming too large and the scale of the new society is too difficult to understand, much less influence or manage. Nothing seems to stay the same very long; the familiar disappears; new developments seem to occur daily. Not just one dynamic seems to be at work, but several, and the intermeshing of all the trends seems to be leading the nation to an uncertain and uncontrollable future. The clearest outcome seems to be the concentration of population into a series of sprawling suburbs, formless, impersonal and lacking any sort of uniqueness. Persons will move from one to another throughout their lifetime, without community ties, without community commitment. The effects will be felt not only in personal life, with its feeling of rootlessness, but also in political life, as local government shrivels up in the face of unconcern.

Such is the vision of the pessimists. But optimists can point to the beneficial developments which have accompanied these movements: the augmentation of suburban areas has greatly increased the number of urban families able to have a single-family home; the general movement to the West and the South has re-distributed population in the country;⁵ the movement of business to the suburbs may actually help small towns within 100 miles retain population.⁶

Thus both beneficial and harmful effects are occurring as a result of current population movements. To formulate a workable national growth policy, it is necessary first to delineate these various effects of national population movements (outlined in Part III). Second—and most important in terms of a federal national growth policy—is an examination of the causal relations between federal activities not specifically labeled national growth policy and the population movements themselves. Only then can an effort be made to consciously shape federal policy toward a national growth policy.

In principle, Congress has recognized the need for some sort of national policy and has, as a consequence of heightened public interest, enacted several major pieces of legislation intended to put some control over the new developments: the 1970 Housing and

5. *Id.* Concentration on a micro-level exists in the San Francisco, southern California, southern Florida and, to a lesser extent, in the Dallas-Fort Worth, Atlanta and Phoenix areas.

6. Feldman, *Transportation: An Equal Opportunity for Access*, in ENVIRONMENT AND POLICY 167, 185 (W. Ewald ed. 1968) (increased numbers of persons are willing to commute 50 to 100 miles).

Urban Development Act,⁷ which enunciates several principles of national growth policy; a series of statutes requiring review of federal grants by metropolitan-wide planning authorities;⁸ the nearly universal requirement of environmental impact statements as a condition of federal grants;⁹ increased financial inducements to the construction of "New Towns";¹⁰ and various other types of proposals calling for a "balanced" growth policy.¹¹ This paper will consider these measures, and will outline other points of intervention that must be considered if a national growth policy is to be accepted and implemented.

II. HISTORICAL BACKGROUND

A variety of causes produced the four general movements mentioned at the outset of this paper; indeed, in many respects, these population shifts are the sum total of all the social and economic forces existent for the last 100 years. However, several can be singled out as most influential: the general increase in real income which has continually improved the type of housing available to the average American, the mechanization of the farm and the consequent shift to an urban manufacturing-service economy, and the development of transportation systems available to nearly everyone. Over the long run, these forces have concentrated economic activity in a limited number of metropolitan areas (depopulating rural America in the process), allowed workers to live a fair distance from their jobs (creating urban sprawl), and drastically reduced all travel time (making neighborhoods of cities, cities of states and a community out of a nation).

7. 42 U.S.C. §§ 4501 *et seq.* (1970).

8. *See, e.g.*, Housing and Urban Development Act of 1970, 40 U.S.C. §§ 461(a), (d) (1970); Housing and Urban Development Act of 1970, 42 U.S.C. §§ 1401, 3102(c) (1970). Requests for federal assistance for airports, water supply, highways, transportation, law enforcement facilities, parks and open space must be submitted to area-wide councils of government for review. Demonstration Cities and Metropolitan Development Act, 42 U.S.C. §§ 3331-39 (1970). Planning funds may be requested by such councils to assist them in the review process. Housing and Urban Development Act of 1970, 40 U.S.C. § 461(g) (1970). Demonstration Cities and Metropolitan Development Act, 42 U.S.C. § 3336 (1970) provides for additional federal assistance for projects which are a part of a metropolitan plan, but no funds have yet been appropriated.

9. National Environmental Policy Act, 42 U.S.C. § 4332 (1970).

10. New Communities Act of 1968, 42 U.S.C. §§ 3901-14 (1970) (supplemental grants and loan guarantees).

11. *See* note 130 *infra* for text of goals set forth in the Housing and Urban Development Act of 1970, 42 U.S.C. § 4502 (1970).

NATIONAL GROWTH POLICY

The changes in income, farming practices and transportation were accompanied—and prodded—by a host of national policies enacted into law over the years as Congress responded to the felt needs of the moment. Although a definitive review is not undertaken here, a broad brush can be applied to create a general picture of massive federal impact on the movements of population.

From its inception, the nation has been consciously concerned with national growth policy. As early as 1785, for example, the Northwest Ordinance encouraged the westward movement across the Appalachians by offering federal land to settlers who would leave the eastern cities or marginal New England farms to colonize the West.¹² This program, which avoided future over-crowding as well by the draining of second and third sons, required no federal cash outlay since the land was part of the federal domain.¹³ Requests for appropriations were less well-received; and a major debate of the first half of the nineteenth century concerned whether the federal government should finance “internal improvements”—roads, canals and other facilities necessary to facilitate development of the West.¹⁴ President Jackson’s veto of the Maysville Road Bill in 1830 is generally regarded as the end of the debate,¹⁵ and few federal appropriations (a major exception was the National Road built in the first decade of the century)¹⁶ were utilized to spark development of the West until the latter part of the century, when agricultural research programs were initiated.¹⁷

Throughout the nineteenth century, the granting of federally owned land was the major tool by which the federal government encouraged

12. Northwest Ordinance of 1785, ch. 8, 1 Stat. 50 (640 acres minimum at one dollar per acre). See D. DUMOND, *A HISTORY OF THE UNITED STATES* 176-77 (1950) [hereinafter cited as DUMOND].

13. 28 JOURNALS OF THE CONTINENTAL CONG. 251-56 (May 1785). See M. JENSEN, *THE NEW NATION* 352 (1950).

14. See H. CARMEN & H. SYRETT, *A HISTORY OF THE AMERICAN PEOPLE* 325 (1952).

15. DUMOND at 269.

16. The early 1820's saw some federal projects, such as improvements of the Ohio and Mississippi Rivers. See acts cited in W. GRAVES, *AMERICAN INTERGOVERNMENTAL RELATIONS* 935 n.2 (1964). This type of federal activity creating infra-structure in the West as an aid to settlement could be considered analogous to federal subsidies of highways and sewers in suburban areas in the middle twentieth century.

17. Hatch Agricultural Experimental Station Act of 1887, ch. 314, 24 Stat. 440. Other landmark agricultural research acts include the Bankhead-Jones Act of 1935, ch. 338, 49 Stat. 436 and the Act of August 11, 1955, ch. 790, 69 Stat. 671.

settlement of the continent. Proceeds from land sales could be used to finance schools, roads and other improvements.¹⁸ Land grants to private railroad companies provided the profit margin (and then some) which induced construction of transcontinental railroads.¹⁹ Land provided from the public domain at low or free cost under the Land Act of 1800,²⁰ the Pre-emption Act of 1841²¹ and the Homestead Act of 1862²² further encouraged settlement. Federal forces provided the necessary security, through use of the Army Cavalry, as well as the necessary expansion of the land pool, through the purchase of the Louisiana Territory, the conquest of northern Mexico and the acquisition of Oregon, Texas and Washington.²³

The westward movement, sparked by the full force of the federal government, was nearly universally accepted as a basic national goal in the nineteenth century—a clear-cut national growth policy. Settlement of the new lands provided wide opportunities for nearly everyone involved: for entrepreneurs, farmers, politicians, tradesmen and manufacturers. Only the politically impotent, such as the Indian tribes, or the politically insignificant, such as merchants in small eastern towns losing population, would be harmed by the policy, but their voices were drowned out by the rush of pioneers into the new land. The emphasis was on growth, almost for growth's sake. But to most of the settlers it was the blossoming of a dream of land ownership that had been planted in a peasant's hut in Ireland, on a small farm in Sweden, or on a rocky ridge in New England. It was the "manifest destiny" of America to expand into all corners of the new continent, to draw the "forgotten masses" from the poverty of Europe and to create a strong nation that would lead the world.

Only three special circumstances were used to justify a limitation

18. *See, e.g.*, Act of March 3, 1803, ch. 21, 2 Stat. 225.

19. The first such grant was 2.7 billion acres for the Illinois Central Railroad (Chicago to Mobile) in the 1850's. DUMOND at 395.

20. Land Act of 1800, ch. 55, 2 Stat. 73 (320 minimum acres at 50 cents an acre over four years). DUMOND at 176-77.

21. *See* B. HIBBARD, A HISTORY OF THE PUBLIC LAND POLICIES 168 (1924).

22. Homestead Act of 1862, ch. 75, 12 Stat. 392 (160 acres for nominal fee after five years of actual residence). *See* J. RANDALL, THE CIVIL WAR AND RECONSTRUCTION 378-79 (1953). Within two years approximately 1.2 million acres had been settled.

23. The actual provision of land through conquest or purchase was the fundamental fact in westward expansion, of course, and that was totally an effort of the federal government.

on population growth in the nineteenth century, all related to exclusion of selected classes of immigrants. The first was the elimination of the slave trade in 1808 which reduced to some extent the increase in the number of blacks.²⁴ The second was the Chinese Exclusion Act of 1882 which eliminated additional migration of orientals, an act spurred by anti-Chinese feeling in the West.²⁵ The third consisted of various limitations on contract labor and "undesirables" such as "idiots," convicts and persons likely to be dependent.²⁶ General limitations on immigration were not imposed until the twentieth century,²⁷ and such an acceptance marked a turning point in American national growth policy. For the first time, the conviction was expressed that growth in itself was not a sufficiently clear-cut goal—that it could cause as many problems as it could bring benefits. A combination of older Americans alarmed by the new wave of eastern and southern European immigrants, trade unionists fearing job competition and urban social reformers wishing to reduce the population pressure on big-city slum areas backed the legislation, culminating in the Immigration Act of 1924, which placed drastic restrictions on the allowable number of immigrants (and imposed quotas systems which favored northern and western Europe to the detriment of the rest of the world).²⁸ The major feeder of population growth has thus been removed and since then, except after amendment of the Act in 1965,²⁹ nearly all growth could be attributed to national increase.

By the 1920's, the nation contained nearly 100 million persons, however, and within one generation they had nearly doubled their numbers. The population in 1920 was young, reflecting the large immigration of the past several decades, and thus growth was much

24. U.S. CONST. art. I, § 9.

25. Immigration Act of 1882, ch. 374, 22 Stat. 186 (exclusion of Chinese for a 10-year period). This Act was twice extended for 10-year periods and then extended indefinitely. DUMOND at 624.

26. *Id.*

27. Immigration Act of 1921, ch. 8, § 2, 42 Stat. 5 (limited immigration to three per cent of nationality currently residing in the United States); Immigration Act of 1924, ch. 190, § 11, 43 Stat. 153 (lowered the immigration rate to two per cent of the nationality currently residing in the United States). In 1927, an absolute limit of 150,000 immigrants a year was imposed. DUMOND at 777.

28. *Id.*

29. Immigration and Nationality Act, 8 U.S.C. § 1151 (1970).

more rapid than it would otherwise be. By 1940, the population was 140 million and by 1960, it was 180 million. As a result, a growing movement was mounted for government policies to limit the second major cause of population growth, natural increase. This clashed with moral and social strictures which objected to any governmental interference with matters which were considered the province of the individual and the church. Starting in the 1960's (with federal approval of fostering birth control in other nations), the objections began to be overcome. In 1965, federal funds were used through the Economic Opportunity Act to foster birth control programs among all low-income persons;³⁰ by the end of the decade, several states had approved abortion on demand³¹ and the federal government was fostering birth control programs among all segments of the population.³²

National growth policy on limiting population is relatively straightforward. But the second element of such a policy—the concern with distribution of the population—is immensely more complicated. A national growth policy dealing with population distribution must necessarily be concerned with the sum total of all the effects of federal activities which induce a shift in the location of population, not simply the recent conscious efforts to develop a “policy” without teeth, to stimulate metropolitan planning with relatively little implementation power or to make marginal adjustments through such programs as New Towns. Rather, a national growth policy which is concerned with population distribution must concern itself primarily with the population distribution effects of the whole range of federal legislation which, although not labeled as part of a national growth policy, has population distribution effects far greater than any national growth policy legislation now on the books.

III. SPECIFIC POPULATION MOVEMENTS

Population changes have two major aspects: an increase in the total number of persons and four clear strands of population distribution. The discussion of the absolute growth is noted above. The four general strands of population distribution will now be discussed.

30. Economic Opportunity Act of 1965, 42 U.S.C. § 2809(a)(6) (1970).

31. *See, e.g.*, HAWAII REV. LAWS § 453-16 (1971); N.Y. PEN. LAW § 125.05 (McKinney Supp. 1972).

32. Family Planning Services and Population Research Act of 1970, 42 U.S.C. §§ 3505(a)-(c) (1970).

NATIONAL GROWTH POLICY

A. Depopulation of Rural Areas

Aside from natural population growth and immigration, the distributive movement which has had the most effect is the depopulation of rural areas. In 1900, nearly 70 per cent of Americans lived in rural areas; by 1970, only 30 per cent did. The cause, of course, was the improvement of agricultural production, both by the use of advanced techniques, such as artificial fertilizer, and by the mechanization of the production process itself. Efforts to overcome the decrease in agricultural employment by substituting industrial employment have been successful in some cases,³³ but their effects have been relatively marginal in stemming the flight from the land.³⁴ It is difficult to substitute the inherent advantages established urban areas have in transportation, access to raw materials and a skilled labor pool.

The depopulation of rural areas was noticeable as early as 1910 in certain inland regions of the northeastern seaboard states, where one commentator notes that the rise of the midwestern corn belt drove eastern grain off the market.³⁵ By the 1940's, the flight was universal. The causes were not natural or the result of competition from other areas, but rather the simple fact that larger farms were required to cope with mechanization and the other techniques of modern farming. The larger the farm, the fewer the people needed.³⁶

Accompanying the decline in the number of farmers was the decline of towns required to service their needs. This caused a further reduction in rural population. Even those small towns which remained began to face market competition from larger cities brought within easier driving range by new expressways. Thus, by 1970, the rural population was down below 10 million in a nation of 200 million.

33. See note 71 *infra*.

34. *Id.*

35. J. GOTTMAN, *MEGALOPOLIS* 184 (1961). Since 1920, the states of Iowa, Kansas, Minnesota, Missouri and Nebraska have had fewer in-migrants than out-migrants. ACIR REPORT at 2.

36. In recent decades, two major rural areas have begun to show a natural decrease in population (excess of deaths over births) as well as a decrease caused by out-migration: the southern portion of the Corn Belt (southern Iowa, eastern rural Kansas and northern Missouri), parts of rural Oklahoma and Texas. L. BEALE, *RURAL DEPOPULATION IN THE UNITED STATES: SOME DEMOGRAPHIC CONSEQUENCES OF AGRICULTURAL ADJUSTMENTS IN POPULATION AND SOCIETY* 415, 421 (rev. ed. 1968). Minor decreases occurred earlier as the over-optimistic land booms on the western plains fell prey to drought and early skimming of the topsoil.

The excess rural population had moved to the large towns and the big cities. This population shift was part of the cause of the large growth of metropolitan areas as the cities spread over their boundaries into the suburbs and exurbs.

B. *Sprawl of Metropolitan Areas*

Three factors have stimulated metropolitan growth in the twentieth century.³⁷ First is the simple matter of migration to the metropolitan areas from rural areas discussed above. The second is the movement of persons from multi-family buildings to single-family houses. While this does not cause a population increase in the metropolitan areas, it does require a land area increase. When a family moves from a two-family flat with a narrow side yard into a single-family house with a wide side yard, for example, the land area required to accommodate that family nearly triples.³⁸ During the 1960's (and indeed, since World War II), thousands of families in every metropolitan area were making that move. The third factor is the natural growth of the population itself. Since national population increased from 140 million to 200 million in the last three decades, that portion of it residing in metropolitan areas clearly required more room. The effect of these three factors was most clearly noted in the suburbs, which grew by 28 per cent in the 1960's, compared to a central city growth of only one per cent.³⁹

Such a growth was inevitable, given the above three phenomena. And it will continue, more likely than not, in the existing metropolitan centers, since it appears that growth of metropolitan areas is primarily a matter of self-generation—those which are already big get

37. The seven largest urbanized areas covered 2,000 square miles in 1920 and now cover 9,000 square miles. One estimate would increase their size to 18,000 square miles by the year 2000. J. PICKARD, *TRENDS AND PROJECTIONS OF FUTURE POPULATION GROWTH IN THE UNITED STATES WITH SPECIAL DATA ON LARGE URBAN REGIONS AND MAJOR METROPOLITAN AREAS FOR THE PERIOD 1970 TO 2000*, at 20 (1970) [hereinafter cited as PICKARD].

38. Since 1940, the percentage of families residing in single-family, owner-occupied homes has increased from 40 per cent to 63 per cent. *STATISTICAL ABSTRACT OF THE UNITED STATES* 673 (1971). Also the size of new units increased from 972 square feet for the average FHA unit in 1948 to 1,207 square feet in 1966. *REPORT OF THE NAT'L COMM'N ON URBAN PROBLEMS, BUILDING THE AMERICAN CITY*, H.R. Doc. No. 34, 91st Cong., 1st Sess. 429 (1968) [hereinafter cited as *BUILDING THE AMERICAN CITY*].

39. *Census Report*, 24 *PUBLIC INTEREST* 119 (1971).

bigger⁴⁰ because of the existence of transportation facilities, a skilled labor pool and a consumer market. Those favored with a favorable environment appear to grow faster than others, but, in general, all large metropolitan areas tend to grow somewhat each year because of natural increase and the built-in factors favoring further industrial and commercial development.⁴¹

C. *Megalopolitan Concentration*

In recent years, the metropolitan areas themselves have grown to such an extent that their outer boundaries have begun to touch other areas—thus creating megalopolises, urban conglomerations containing more than one metropolitan area. A relatively new phenomena on the world scene, the megalopolis was first categorized by Jean Gottman who identified a continuous urban area from Boston to Washington.⁴² In addition to that well-known megalopolis (and others identified world-wide, such as in the Netherlands), it has been pointed out that megalopolises are now developing in southern California, the Chicago area and the Detroit-Toledo-Cleveland areas.⁴³

By the year 2000, it is estimated that if population growth continues, nearly 70 per cent of the country's population will be concentrated in 18 megalopolises, occupying about 10 per cent of the nation's land areas: Seattle, San Francisco, Los Angeles, Phoenix-Tucson, Denver, Kansas City, St. Louis, Dallas-Fort Worth, Houston, New Orleans, Atlanta, Miami-Jacksonville-Tampa, Minneapolis-St. Paul, Chicago-Milwaukee-lower Michigan, Detroit-Cleveland, Pittsburgh-Buffalo, central North Carolina, and the northeastern Atlantic seaboard.⁴⁴ Even in areas outside these megalopolises, concentration is

40. C. LEVER, J. LEGLER & P. SHAPIRO, AN ANALYTICAL FRAMEWORK FOR REGIONAL DEVELOPMENT POLICY 163 (1970) [hereinafter cited as LEVER, LEGLER & SHAPIRO].

41. Exceptions in the 1960's were noted in several metropolitan areas which declined. The largest in terms of 1960 population was Pittsburgh, down seven per cent by 1970.

42. J. GOTTMAN, *supra* note 35, at 4.

43. The names of Boswash, Chippits and SanSan have been suggested for these new super-cities. For some of the effects of the Florida super-city on water availability see Harte, *The Everglades: Wilderness v. Rampant Land Development in Florida*, 1 ENVIRONMENTAL AFFAIRS 141 (1971).

44. PICKARD at 7. Pickard's areas described in the succeeding paragraphs in the text are somewhat different than the standard metropolitan statistical areas defined by the Bureau of Census. Several standard census metropolitan areas are combined by Picard: Los Angeles and San Diego; Milwaukee and Chicago; Detroit,

occurring, particularly along the major transcontinental transportation routes.⁴⁵

The megalopolitan areas expected to grow substantially have, with few exceptions, one common feature: a favorable climate or favorable environmental landmarks such as mountains or oceans. Man-made inducements, such as high park acreages, good educational systems or cultural facilities,⁴⁶ seem to be of less consequence. One analysis of metropolitan growth in the first half of the 1960's indicates that for the 11 largest growth areas, all but three were either on the Great Lakes or the ocean.⁴⁷ Movement also tends to the South and the West, climatically favorable areas.⁴⁸

Because of the movement of population toward areas of natural and climatic attractiveness, there is probably little that any national policy can do to affect such tendencies (short of controlling the weather, dredging huge lakes or creating mountains). Thus, it would seem that these tendencies will probably continue, halted only when population density reaches such peaks that life will be sufficiently uncomfortable for a large enough number of people to move elsewhere—to a smaller metropolitan area not blessed by natural happiness, but at least not crowded: like Omaha.

Pittsburgh, Cleveland, Cincinnati, Columbus and intervening areas; all Atlantic sea-board areas from Portland, Maine to Norfolk, Virginia; and all of Florida except the Everglades and the Panhandle. Pickard projects that by 2000 over 125 million persons will live in one virtually continuous urban area stretching from Milwaukee-Chicago through Indiana, Ohio and Pennsylvania, and then moving north to Maine and south to Virginia.

45. These are areas roughly paralleling the east-west route of Highway 40 (Interstate 70) in the center of the country and, to a lesser degree, the Houston-Kansas City-Minneapolis north-south corridor.

46. LEVER, LEGLAR & SHAPIRO at 40. The authors note that the data is highly tentative.

47. ACIR REPORT at 16. Only Philadelphia, Washington and Dallas were not on major bodies of water (and the first two are within easy driving time of the Atlantic). The other growth areas were Los Angeles, New York, San Francisco, Houston, Miami and San Bernardino.

48. A study of the 315 largest cities indicated that of the 20 showing the highest urban growth and development factors all except two were in the South, including Texas, and many are increasing largely because of defense spending. By contrast, cities with the lowest growth and development factors are small factory towns in the Northeast. Jones & Jones, *Toward a Typology of American Cities*, 10 J. REG. SCI. 217, 219 (1970).

D. *Depopulation of the "Inner City"*

The fourth phenomena is the depopulation of the "inner city." This can basically be ascribed to the fact that as poverty is reduced, the market for the oldest, most dilapidated housing drops. If persons can afford improved housing (and it becomes available as middle-income families also increase their living standards and seek even better shelter),⁴⁹ this normally results in a move from older, rather dense areas in the central city to more favorable environments. Usually, that means a move to a neighborhood further out from the central business district. Historically, this has been the pattern for all groups in most cities.⁵⁰

Recently, blacks have followed this pattern and, since there is no group to replace them in the oldest ghetto areas, the consequence is depopulation. Often, where black residential areas have edged close to the city limits, this means a black movement to the suburbs. Thus, there has been a dramatic decrease in the population of the oldest, least desirable areas of cities, particularly in the northeastern quadrant of the country, and a probable slowing down of the percentage gain of the black population in the central cities.

Moreover, the general movement of all classes into better housing has been reflected in a decreased market for undesirable and sub-standard housing. The result is a gradual abandonment of the oldest

49. For a lucid analysis of the trickle-down phenomena in housing, see J. LANSING, C. CLIFTON & J. MORGAN, *NEW HOMES FOR POOR PEOPLE* (1969). The authors estimate that for every 1,000 homes built for middle-class persons, about 33 improved existing dwelling units become available for low-income persons because of the chain of moves occasioned by the new construction. *Id.* at 41. See also R. VERNON, *METROPOLIS* 1985, 177-211 (1960) (increased income, filtering, growing families and outward mobility of jobs stimulates movement to lower densities among all income groups).

50. This pattern is clearly shown in comparative census tract surveys made by students in the author's 1971 seminar on midwestern and eastern cities. Years from 1950 to 1970 were examined, and nearly every city showed a decrease in occupied dwelling units and population in the areas near the central business district, with lesser decreases as one moved away from the central business district. Exceptions were noted in rehabilitated areas for the affluent and areas around large universities. Data on file at Center for Urban Programs, St. Louis University. See also Schnore & Klaff, *Suburbanization in the Sixties: A Preliminary Analysis*, 48 *LAND ECONOMICS* 23 (1972) (decentralization occurring in cities of all sizes, with a positive correlation between age of central city and speed of decentralization).

residential areas, a fact highlighted in a recent report by the Urban League and the Center for Community Changes.⁵¹

Indeed, a relation exists between the urban sprawl and the depopulation of the inner city. As households move to the urban fringe, housing becomes available in older areas, allowing persons to move out from the "inner city." This outward movement is most noticeable when an area changes from white to black, but occurs generally with the continued increase in income among the lower-income groups and continued desire for residential improvement that is characteristic of nearly all urban Americans.

What the country is experiencing, of course, is the ultimate consequence of the thousand-year-long movement toward urbanization which began at the beginning of the Middle Ages in western civilization⁵² and has since spread to the rest of the world.⁵³ Obviously, if persons continue to move to the cities and depopulate rural areas, at some point virtually everyone would have to live in cities. Moreover, since existing urban centers attract much of this growth, it is similarly evident that the only result can be a continued growth of existing metropolitan centers. The accidents of history and the pull of certain natural phenomena, such as large bodies of water and mountains, mean that most existing metropolitan areas are relatively close to one another. In turn, this leads to the creation of megalopolises.

51. CENTER FOR COMMUNITY CHANGE AND NAT'L URBAN LEAGUE, *THE NATIONAL SURVEY OF HOUSING ABANDONMENT* (1971). The report refers to an increased percentage of poor persons in the oldest area, while noting an overall loss in population. *Id.* at 88. The increased percentage is probably a function of the outward movement of the upwardly mobile; however, a preferable approach would be to compare the status of all those who lived in the oldest areas in 1960 with their status in 1970, wherever they lived.

52. The classic work on the origin of European medieval cities is H. PIRENNE, *MEDIEVAL CITIES: THEIR ORIGINS AND THE REVIVAL OF TRADE* (1925).

53. In 1800, less than two per cent of the world's population lived in cities with over 100,000 population as compared with about 13 per cent in 1950 (about 20 per cent in Europe and America). Cook, *The World's Great Cities: Evolution or Devolution*, in *URBANISM, URBANIZATION AND CHANGE* 29, 39 (P. Meadows & E. Mizruchi eds. 1969). A 1965 United Nations survey placed 735 million of the 1,050 million persons in developed countries in urban areas, and 1,010 million of the 1,265 million in the year 2000. In "developing areas," 1,045 million out of 3,275 million were in urban areas in 1968; by the year 2000, the number will be 2,080 million out of 4,845 million. Overall, the world percentage would rise from 39 per cent in 1968 to 48 per cent in 2000. May, *Preserving a Human Environment at the World Scale*, *J. AM. INST. PLANNERS* 266, 267 (1971).

Finally, within the metropolitan areas themselves, there is a continued upward mobility of immigrant groups seeking better housing as they become more acclimated to urban life. The result of this is the growth of new housing areas (suburban tracts) in the new megalopolises. It appears, then, that if one general trend can be discerned in these four major population shifts, it is a movement toward the less dense residential areas of large megalopolises. All the dynamics of national changes seem to point in no other direction but this one.

Given this general trend arising from historic social and economic forces, it would be helpful to specify the particular types of federal activities which have accompanied and stimulated these forces. This is a necessary first step if one is to then use the force of the federal government to modify, slow or even reverse these forces (the question of the wisdom of such an attempt is touched upon in the conclusion of this paper).

IV. SPECIFIC ASPECTS OF FEDERAL INFLUENCE

Legislation with population distribution effects falls into at least four general categories: (1) influence on location of industry throughout the nation; (2) influence on individual movement throughout the nation; (3) stimulation of urban sprawl; and (4) intervention in central city housing policies and programs to reduce poverty. Examples of such distributive legislation are set forth in the succeeding paragraphs to provide some identification of the federal influence in stimulating population distribution. The precise extent of influence in any given instance is quite difficult to determine because of the wide variety of factors affecting an individual decision to move. Also, a more detailed review of the legislation and its impacts would no doubt uncover additional distributive effects. The acts set down here are those which appear to have the most effect.

A. Influence on Industrial Location

As the role of the federal government as a purchaser of goods and services increases, its selection of the seller of these goods and services becomes a crucial element in local communities' levels of employment. The locational effect of direct federal expenditures first became a major influence in World War II with, for example, the placement of 73 government-owned ordnance plants employing over 400,000 persons, the creation of such large government projects as Oak Ridge

and Los Alamos, and the development of large army camps which made selected villages and small towns into boom cities.⁵⁴

Since that time, the Defense Department has continued as the pre-dominate federal purchaser of goods and services. Generally, this spending has aided the shift of population to the South and the West. In 1952, only 33 per cent of prime defense contracts were awarded to firms in these areas, but, by 1969, the two regions' shares had grown to 52 per cent.⁵⁵ The effect on jobs and, therefore, population is compounded by the probability that subcontractors will be located in the region of the prime contractor and the increase in employment caused by the multiplier effect of direct defense expenditures. In Arizona, in 1969, for example, about one-third of all the state's 519,000 jobs could be attributed to defense spending. This included 53,000 jobs caused by direct defense employment, including contractors, sub-contractors and Defense Department personnel, and another 100,000 to 120,000 jobs caused by the induced spending from the prime jobs.⁵⁶ Similar effects exist in such heavily defense-oriented areas as Los Angeles-San Diego, Seattle, Norfolk and many areas in the South.

The West, Southwest and some areas in the South have also greatly benefited by federal water development policy which increased the likelihood of commercial agriculture⁵⁷ and of industrial location. Government construction of the Tennessee Valley Authority dam system⁵⁸ and the Bonneville Power Administration system in the

54. Will, *Federal Influences on Industrial Location: How Extensive?*, in G. KARASKA & D. BRAMHALL, *LOCATIONAL ANALYSIS FOR MANUFACTURING* 211 (1969) [hereinafter cited as Will, *Federal Influences*]. "The establishment of space centers at Huntsville, Cape Kennedy and Houston was, in impact, a decentralization decision—without involving any new town decisions," notes Perloff, *Comment*, in *ENVIRONMENT AND POLICY* 323 (W. Ewald ed. 1968).

55. Statement of Bernard Udis, in *Changing Nat'l Priorities, Hearings Before the Subcomm. on Economy in Gov't of the Joint Economic Comm. of Congress*, 91st Cong., 2d Sess., pt. 2, at 595 (1970) [hereinafter cited as *Changing Nat'l Priorities*]. This shift from the Midwest to the West has been attributed to a shift from tanks and other hardware to missiles. See Graham, *Factors Underlying Changes in the Geographic Distribution of Income*, *SURVEY OF CURRENT BUS.* 1964, at 23 (Apr. 1964), cited in H. NOURSE, *REGIONAL ECONOMICS* 230 (1968).

56. Billings, *Regional Market Defense Impact—A Case Study Comparison of Measurement Techniques*, 10 J. *REGIONAL SCI.* 199, 211 (1970). The lower figure of jobs generated was calculated by utilizing input-output models; the higher by using the economic base method.

57. See Consolidated Farmers Home Administration Act of 1961, 7 U.S.C. §§ 1921-29 (1970).

58. Tennessee Valley Authority Act of 1933, 16 U.S.C. §§ 831 *et seq.* (1970).

Northwest has been the prime determinant of industrial development in that area.⁵⁹ The St. Lawrence Seaway,⁶⁰ the recent Arkansas River channelization⁶¹ and the recently initiated Tennessee Tubago Waterway through Alabama are inducing firms to locate in the areas favorably affected. In some instances, this may retard depopulation caused by the mechanization of agriculture, as in northern Alabama, or ward off any future retardation of the present rate of growth, as with the central Arizona water project. The dredging of existing rivers and channels, such as in the construction of the Inter-coastal Waterway, along with the subsidies provided barge lines,⁶² has stimulated population growth along the favored routes (supporters of the recently completed Arkansas River dredging view Tulsa as a new major port for foreign trade). Thus, in some respects, water dredging policies, particularly in the Midwest and the upper South, may bring population back to areas which have suffered rural decline in the past several decades. However, the population will be concentrated in metropolitan areas because of the emphasis on commercial and manufacturing activities.⁶³

Other federal activities have influenced industrial location. Subsidies by the Federal Aviation Administration (FAA) to construct⁶⁴ airports have stimulated industrial development at the periphery of these airports and, as air freight grows in importance,⁶⁵ the location of these airports will become even more of a factor in determining the location of new industrial and commercial enterprises. Examples are new super-airports in the Las Vegas and Dallas-Fort Worth areas, and

59. No dam or other project may be constructed on navigable waterways without the permission of the Federal Power Commission. Federal Power Act, 16 U.S.C. § 797(e) (1970). See Poland, *Development of Recreational and Related Resources of Hydroelectric Project Licensed by the Federal Power Commission*, 4 LAND & WATER L. REV. 375-77 (1969).

60. St. Lawrence Seaway Act, 33 U.S.C. §§ 981 *et seq.* (1970).

61. See 43 U.S.C. § 616 (1970) (Fryingpan Arkansas Project, Colorado).

62. Inland Waterways Transportation Act of 1938, ch. 5, §§ 141-57, 53 Stat. 1434, *repealed* Pub. L. 88-67, § 1, 77 Stat. 81 (1963) (water terminals and rail-water connection).

63. A greater portion of southern rural out-migration appears to be moving to the rapidly growing southern cities, rather than to the North.

64. Airport and Airway Development Act of 1970, 49 U.S.C. §§ 1701 *et seq.* (1970), *formerly* Federal Airport Act of 1946, ch. 251, 60 Stat. 170.

65. By 1980, air freight will begin to be a significant factor in freight movement, according to Feldman, *Transportation: Equal Opportunity for Access*, in ENVIRONMENT AND POLICY 167, 173 (W. Ewald ed. 1968).

it is reported that the FAA is contemplating the creation of 10 such developments (averaging 10,000 to 15,000 acres each) across the nation.⁶⁶ The impact of these airports in existing metropolitan centers is speculative, however, since many of them will take scarce open land in and around major metropolitan areas.

Even such matters as the outlawing of the basing point freight rate system by the Supreme Court in 1948⁶⁷ and the legitimization of collective bargaining, which tended to drive up labor costs in the Northeast and stimulate movement of certain plants to the South, have had effects on population distribution.⁶⁸

In light of these changes, conscious efforts for dispersal of industry through special programs and policies have been relatively minor. The National Industrial Dispersion Program, an early attempt at dispersal, was created in 1951 with the aim of urging firms to move to areas out of the prime nuclear target centers but has been characterized as "largely ineffectual in influencing plant locations."⁶⁹ Such direct efforts as the Area Redevelopment Administration (and its successor agency, the Economic Development Administration [EDA]),⁷⁰ which attempted to stimulate development of declining areas by grants and loans, have had relatively little effect. The basic reason appears to be under-funding and an improper choice of focus. The median population of the major cities in the 52 Economic Development Districts and 80 Economic Development Centers was 24,000 in 1968, below the level generally thought to be necessary to become moderately prosperous.⁷¹ With a \$27 million annual budget, EDA could spend an

66. Testimony of John Shaffer, FAA Administrator, in *Hearings of the Senate Subcomm. on Appropriations*, 92d Cong., 2d Sess., at 621 (1972) (Atlanta, Boston, Chicago, Cleveland, southern Florida, Los Angeles, Minneapolis-St. Paul, New Orleans, New York and St. Louis).

67. *Ayshire Colliers Corp. v. United States*, 335 U.S. 573 (1948).

68. Will, *Federal Influences* at 214-19. Most employers in interstate commerce were required to bargain in good faith with labor unions by the Wagner Labor Relations Act of 1935, ch. 372, 49 Stat. 449.

69. Will, *Federal Influences* at 215.

70. Public Works and Economic Development Act of 1965, 42 U.S.C. §§ 3121 *et seq.* (1970).

71. Hansen, *How Regional Policy Can Benefit from Economic Theory*, 1 GROWTH & CHANGE 20, 25 (1970). The author criticizes the approach of infrastructure development in Economic Development Administration Programs and recommends instead investment in improving human resources, as do other commentators, Delaplaine & Hollander, *Federal Spending for Human Resources Helps the Growth Rate*, 1 GROWTH & CHANGE 28 (1970).

average of only \$250,000 per potential growth area. One author has noted that it is unlikely that a program of such modest means could divert rural migrants from large urban areas to the EDA-designated growth centers.⁷²

Another federal influence on the location of economic activity is through provision of selective tax subsidies or relief. By the consequent lowering of the costs of production of the selected products, the prosperity, employment and population of areas primarily engaged in their production, are increased. For example, the population of Texas would be somewhat lower were it not for the artificially lower price of oil and gasoline brought about by tax relief to oil producers.⁷³ Tariff and import quotas may affect employment and population, such as oil quotas which sustain the oil industry⁷⁴ and textile quotas⁷⁵ which save employment for the population of textile towns in New England and in the South. Recent examples are federal activities to raise the cost of imported automobiles and remove the excise tax on domestic automobiles. One investigator has shown that federal tax relief, if considered as a budget expenditure, would amount to about one-fifth of the total budget or about five per cent of the gross national product.⁷⁶ Tax relief is actually the same as a federal expenditure, since the fiscal effect of paying less taxes is the same as receiving a comparable federal grant. However, the amounts of tax relief for specific purposes do not appear in the federal budget; hence, the actual dollar effect of specific tax subsidies has not received public attention. Recently, the Treasury, under Congressional direction, published the amount and purposes of tax relief programs. Those which seemed to have direct population distributive effects constituted a total federal outlay of over \$8 billion. Among these programs were: special capital gain treatment for farming and timber (\$950 million); rapid amortization, special capital gain treatment and depletion allowance for natural resources (\$1.4 billion); and home-owner mortgage interest and property tax deduction (\$5.7 billion).⁷⁷

72. *Id.*

73. INT. REV. CODE OF 1954, §§ 611-17.

74. Trade Expansion Act of 1962, 19 U.S.C. §§ 1801 *et seq.* (1970).

75. 7 U.S.C. § 1854 (1970).

76. *Changing Nat'l Priorities*, *supra* note 55.

77. United States Treasury Department figures reprinted in 1972 CONG. QUAR. WEEKLY REP. 1270 (June 3, 1972).

B. *Influence on Individual Mobility*

A less discernible, but possibly as important a factor for fostering population shifts, is the effect that financial assistance programs to individuals have on population mobility. The large individual assistance programs—such as the Social Security Program,⁷⁸ veterans' pension⁷⁹ and federal crop support⁸⁰—by increasing incomes, widen the options for selection of residential location for large numbers of persons.

The population movement effects of the Social Security or veterans' benefit programs have never been precisely studied, but several general effects have been noted. First is the growing ability of elderly persons to support themselves in separate households.⁸¹ This requires additional dwelling units and normally, since few opt for rural locations, this land is required in urban areas (high-rise buildings constitute a relatively small percentage of the units used). Although many of the new units are in the large new metropolitan areas in the "Sun Belt" of Florida, California, Arizona and New Mexico,⁸² a significant number exist in all metropolitan areas. The recent substantial increases in Social Security payments should enable more elderly persons to establish their own households or secure improved living quarters.

Farm subsidies, plus a variety of irrigation subsidies,⁸³ low-cost land programs,⁸⁴ tax laws⁸⁵ and other devices, have played a major role in

78. Social Security Act of 1935, 42 U.S.C. §§ 401-29 (1970).

79. This includes pensions for non-service connected permanent disability, 38 U.S.C. § 521 (1970), and pensions to veterans' widows and children, 38 U.S.C. §§ 541-45 (1970).

80. These include cotton, grain and wheat payments. Food and Agricultural Act of 1965, 7 U.S.C. §§ 1301 *et seq.* (1970).

81. BUILDING THE AMERICAN CITY at 45 (number of elderly men and women living alone or with non-relatives rose by one-third between 1959 and 1966).

82. The West, for example, has increased its portion of the nation's population from five per cent in 1900 to nearly 16 per cent in 1960. E. STOCKWELL, *supra* note 4, at 254.

83. Early versions were the Desert Land Act of 1877, ch. 107, 19 Stat. 377, *as amended* 43 U.S.C. §§ 321-39 (1970) (allowing appropriation of non-navigable water by settlers on irrigable land) and the Reclamation Extension Act, 43 U.S.C. §§ 373 *et seq.* (1970) (building and financing of irrigation facilities). *See* Consolidated Farmers Home Administration Act of 1961, 7 U.S.C. § 1924 (1970).

84. *See, e.g.*, Pre-emption Act of 1841, ch. 16, 5 Stat. 453; Homestead Act of 1862, ch. 75, 12 Stat. 392; Desert Land Act of 1877, ch. 107, 19 Stat. 377.

85. Farm income accounting rules have been used by some high-income taxpayers who are not farmers to offset a farm tax loss against income earned from

the growth of large farms and a consequent decrease in the number of small farmers.⁸⁶ The net decrease in the farm population brought about by a shift to larger farms has also decreased the population of small towns needed to provide these farms with commercial and professional services. Perhaps the major factor has been increased productivity brought about by more effective farm machinery and chemicals, and partially assisted by federally funded land grant universities. This makes it more difficult for a small farmer to purchase such machinery (it now takes about \$50,000 to enter the farm business).⁸⁷

As in most instances mentioned in this paper, the federal role should not be over-stressed: much of the same shift toward large farms would have occurred through the private development of farm mechanization. Although the speculation concerning the distributional forces of welfare payments is widespread, particularly the conviction that a rather large differential in payments between southern and northern states has spurred the movement of southern poor persons to northern cities, most observers attribute the movement to a decrease in agricultural job opportunities and the larger availability of industrial job opportunities in the larger cities of the North and West.⁸⁸ A reversal in the movement may be stimulated by the proposed Family Assistance Program,⁸⁹ however, which, by providing general uniformity of payment throughout the country and supplementing the income of low-paid, full-time workers, may bring about a return to the South of older persons dissatisfied with northern urban living.⁹⁰

Generally, however, it is likely that the increased payments to Social

non-farm sources. These have been modified by the Tax Reform Act of 1969, 26 U.S.C. § 1251 (1970). See Lauterback, *Taxation of Farmers and Ranchers Under Tax Reform Act of 1969*, 4 IND. LEGAL FORUM 348, 351 (1970).

86. See L. BEALE, *supra* note 36.

87. One estimate is that between \$100,000 and \$500,000 of debt must be carried for the effective operation on many family farms. NATIONAL COUNCIL OF CHURCHES, *ETHICAL ISSUES IN COMMERCIAL AGRICULTURE* 14 (1970). The average acreage needed to support an average farm family varies from crop to crop and area to area.

88. The 1970 census seems to indicate that the migration to the North is slowing, with the exception of a greater influx to smaller metropolitan areas.

89. H.R. 7388, 92d Cong., 1st Sess. (1971).

90. Armstrong, *Looming Money Revolution Down South*, 81 FORTUNE 66 (June 1970).

Security recipients⁹¹ have been sufficient to provide the increment needed by many to purchase a retirement home and that the decreased cash income to farmers brought about by farm policies favoring large producers has pushed them to the cities. These are the most significant population distribution effects of federal transfer payments to individuals.

C. *Stimulation of Urban Sprawl*

Urban sprawl has certainly been substantially assisted by federal policies which encourage the purchase of single-family detached homes. The familiar litany of the three-fold effect of FHA mortgage insurance for homeowners,⁹² the interstate highway system⁹³ and the tax deduction of interest paid on home mortgages⁹⁴ have combined to substantially lower the cost, both in time and money, of purchasing a home on the fringes of the urban area. As in the case of rural changes, however, private market forces had just as important a role. With rising incomes brought on by increasing prosperity from 1940 to 1970, a large percentage of American families had both the means and the opportunity to purchase single-family homes. The net result was to turn a nation of renters into a nation of homeowners.⁹⁵

As millions moved from apartments to homes, the consequence had to be urban sprawl, for simply the reason of space.⁹⁶ A family living

91. In 1954, the maximum payments for a single individual for retirement was \$108.50 a month (55 per cent of first \$110 of average monthly wage, plus 20 per cent of the next \$240). Social Security Act Amendments of 1954, § 102(a), 68 Stat. 1052. In 1971, the maximum for a single individual was \$250.70, and the maximum family benefit for a widow and her children was \$517 a month. Social Security Act Amendments of 1971, 42 U.S.C. § 415(a) (Supp. I 1971).

92. National Housing Act of 1934, Title II, ch. 847, § 201, 48 Stat. 1247. From 1935 to 1967, about 14 per cent of new non-farm homes constructed were FHA financed and nine per cent were VA financed. *BUILDING THE AMERICAN CITY* at 106.

93. Federal-Aid Highway Act of 1956, 23 U.S.C. § 103 (1970), formerly ch. 462, 70 Stat. 374.

94. INT. REV. CODE OF 1954, § 163(d).

95. *Supra* note 38. Increased income is perhaps the most important method of improving housing. One study, for example, estimated that a 50 per cent negative income tax (about \$450 for a family of four earning \$3000 in 1960) would allow 24 per cent of the families in substandard rental housing to pay sufficiently higher rents to allow such units to be improved to "standard" status. Nourse, *The Effect of a Negative Income Tax on the Number of Substandard Housing Units*, 46 LAND ECONOMICS 435, 445 (1970).

96. This process will be intensified by the new emphasis in federal low-income housing programs on home ownership, 12 U.S.C. § 1715 (1970), and the elimina-

in a two-family flat may occupy 500 square feet of land; when that same family moves to a standard three-bedroom ranch house, it takes up to 2,000 square feet of land.⁹⁷ Urban sprawl would be induced to some extent by the sheer growth of the number of families in metropolitan areas even if each family only required 500 square feet of land, but when added to the shift from apartments to single-family homes, the amount of new land area grows substantially.

One observer has speculated that the transfer to the single-family homes may not have proceeded as quickly if the new occupants were forced to pay the real costs of such a move.⁹⁸ The federal subsidies for highways, open space, sewers and parks in effect hid a portion of the cost of such a move.⁹⁹ On the other hand, this type of subsidy could be justified on grounds of sound social policy since the development of suburban areas represented a substantial improvement in the lives of many urban residents, providing them with fresh air, open space and a generally more favorable environment. Also, the federal policy inducing single-family home ownership can be upheld on other social principles even when it contributes to urban sprawl: home ownership fosters pride, a feeling of belonging and probably results in improved maintenance of the housing stock because of individual responsibility. Raymond Vernon points out that for every suburbanite disgruntled with "plastic living," there are many more who have secured a more pleasant life because of the general movement to lower-density living:

The offspring of the Jewish or Italian or Greek immigrant of 1900, comfortably established in his Westchester ranch house in 1965, will have the backdrop of his boyhood in the tenements of

tion of high-rise rental units for families in public housing, 42 U.S.C. § 1415(11) (1970). Regulations issued pursuant to this section required that dwellings for families with children should not exceed three stories in height or a net land coverage of 35 per cent. HUD Circular, Sept. 13, 1968.

97. Thus, the simple desire for the amenity of a private back yard (or, in the case of new apartment developments, large common open space) becomes a major cause of the growth in the urbanized area because of the extra land required per dwelling unit. From 1950 to 1960, density in 157 urbanized areas dropped by 28 per cent, while urbanized land area itself was increasing by 180 per cent. SMITH & ASSOCIATES, *TRANSPORTATION AND TOMORROW'S CITIES* 34 n.14 (1966).

98. See W. THOMPSON, *PREFACE TO URBAN ECONOMICS* 325 (1965).

99. If the additional federal cost of highways and sewers serving new suburban developments were added to the price of the dwelling units, for example, presumably the demand would decrease to some extent. Prentice, *supra* note 3, at 237.

Brooklyn or the Bronx against which to compare his surroundings; . . . The Negro family, recently established in the forty-year-old apartments of the Grand Concourse in the Bronx, will have the seventy-year-old tenements of teeming Harlem as its prior point of reference.¹⁰⁰

Whatever the motives, there seems to be little doubt that federal influences were a substantial factor in both easing the cost of the move to suburban areas and in playing a significant role in making such a widespread movement possible.

D. *Effects on the Densities of Central Cities*

Federal legislation has had two contradictory effects on the density of the inner cities of large metropolitan areas. The initial attempts of the urban renewal programs¹⁰¹ aside (when they were generally aimed at replacing deteriorating residential areas with industrial and commercial developments),¹⁰² most recent federal urban renewal, model cities¹⁰³ and related legislation¹⁰⁴ has been an attempt to rebuild the deteriorated areas of central cities, replacing them with a substantial mixture of housing and related commercial uses. Together with public housing¹⁰⁵ and its related programs, such as rent supplement¹⁰⁶ and below-market rate of interest housing,¹⁰⁷ urban renewal attempts both to bring the middle-class back into the cities and to improve the housing stock of the cities for the lower-income groups. The success of these goals is primarily a function of available appropriations and it is generally agreed that the level of appropriations has not matched

100. R. VERNON, *supra* note 49, at 282-83 (1963). In no other instance of American life, perhaps, does the intellectual elite's perception of reality diverge more from the average citizen's than in their view of the wisdom of decreased density in urban sprawl. The elite decry the aesthetic loss; the average citizen is grateful for more living space.

101. Housing Act of 1949, 42 U.S.C. §§ 1450 *et seq.* (1970).

102. *See* M. ANDERSON, *THE FEDERAL BULLDOZER* (1964).

103. Demonstration Cities and Metropolitan Development Act of 1966, 42 U.S.C. §§ 3301-13 (1970).

104. *See, e.g.*, Housing and Urban Development Act of 1965, 42 U.S.C. § 1468 (1970) (Concentrated Code Enforcement Program); Housing and Urban Development Act of 1968, 42 U.S.C. § 1466 (1970) (Rehabilitation Grants).

105. Housing Act of 1937, 42 U.S.C. §§ 1401-35 (1970).

106. Housing and Urban Development Act of 1965, 12 U.S.C. § 1701s (1970).

107. National Housing Act Amendments of 1961, 12 U.S.C. § 1715l (1970).

the need for rebuilding.¹⁰⁸ Further, administrative and political problems have plagued urban renewal since the program's initiation; completion of an average project takes between six and nine years.¹⁰⁹ Even had urban renewal been completely successful, however, it would have only slightly stemmed the move to the suburbs, since that move was so large in numbers.¹¹⁰ A workable program, however, would at least have avoided the phenomenon of large tracts of land in the central cities becoming increasingly vacant.

At the same time that the federal government was attempting to improve housing in the oldest parts of the central cities, however, it was taking actions which had the effect of decreasing the market for the existing housing there. Every federal program which attempted to increase the incomes of low-income persons—from the transfer payment programs of Social Security¹¹¹ and Welfare Assistance¹¹² to the newer poverty programs of community action¹¹³ and manpower training¹¹⁴—allowed, to the degree they were successful, persons to seek better housing. More general policies, such as granting the right of collective bargaining to unions, thereby causing an upward push on the income of members of organized labor, had the same effect. Federal support of the civil rights movement through the various civil rights bills passed during the 1960's¹¹⁵ increased opportunities and, subsequently, incomes for many lower-income and lower middle-class black families. The result has been a general movement of poor per-

108. In St. Louis, for example, the projected cost of rebuilding deteriorated areas has been estimated at an average of over \$20 million a year for the next 20 years, according to unpublished estimates of the City Planning Commission. Yet, urban renewal funds are normally less than \$10 million a year.

109. *BUILDING THE AMERICAN CITY* at 166.

110. In 1967, total planned dwelling units in urban renewal areas numbered 195,999, less than half of the estimated 400,000 units demolished. Over 62 per cent of the new units were for middle and upper-income families. *Id.* at 163.

111. Social Security Act of 1935, 42 U.S.C. §§ 401-16 (1970).

112. 42 U.S.C. §§ 301-06 (1970) (old-age assistance); 42 U.S.C. §§ 601-10 (1970) (aid to dependent children); Social Security Amendments of 1950, 42 U.S.C. §§ 1351-55 (1954) (aid to permanently and totally disabled); Social Security Act of 1935, 42 U.S.C. §§ 1201-06 (1970) (aid to the blind).

113. Economic Opportunity Act of 1964, 42 U.S.C. §§ 2701 *et seq.* (1970).

114. *Id.* §§ 2711-71 (Job Corps, Neighborhood Youth Corps, Concentrated Employment Program); *id.* §§ 2921-25 (1970) (Work Experience Program).

115. Civil Rights Act of 1964, 42 U.S.C. §§ 2000e-15 (1970) (equal employment opportunities); Voting Rights Act of 1965, 42 U.S.C. § 1973 (1970); Civil Rights Act of 1968, 42 U.S.C. § 3601 (1970) (fair housing).

sons and black families out of the oldest areas and into formerly middle-income white areas¹¹⁶ as many middle-income whites moved to suburban sections of the metropolitan areas (joined in some cases by blacks as the black residential areas began to cross city-suburb lines in the late 1960's).¹¹⁷ Their former neighborhoods became all black and the demand for housing in the oldest parts of many central cities, no longer the only areas available for blacks, began to decline. Revisions in the rental housing tax laws, which removed the accelerated depreciation from many buildings,¹¹⁸ no doubt contributed to the abandonment of such buildings after 1968. Although federal demolition programs attempt to make some impact on the problem of abandoned buildings,¹¹⁹ the final solution will probably come only with a combination of continued exodus to better neighborhoods and a program of rehabilitation of existing housing and construction of new housing.¹²⁰

The above movements probably had a greater impact on the density of central cities than did highway construction authorized under the Interstate Highway System, although such activity did remove many homes from the market in central cities. Also, urban renewal removed a large number of low-income houses from central cities.¹²¹ However, the abandonment of buildings in areas untouched either by urban renewal or highway construction would seem to indicate that the substandard, low-income housing market contains more units than are currently in demand. The lack of highways and urban renewal—

116. In St. Louis, for example, population declined between 20 and 40 per cent in most of the oldest low-income areas between 1960 and 1970. See Holland, Notes on the Population Decline of St. Louis (mimeo, Center for Urban Programs, St. Louis Univ. 1972).

117. See D. BIRCH, *THE ECONOMIC FUTURE OF CITY AND SUBURB* (Comm. for Economic Dev. Series 1970).

118. INT. REV. CODE OF 1954, §§ 167(j),(k).

119. 42 U.S.C. § 1467 (1970) (grants for demolition of unsafe structures).

120. See Weissbound, *Proposal for a New Housing Program: Satellite Communities*, CENTER MAGAZINE 7 (Jan.-Feb. 1972).

121. It has been conservatively estimated that the following federal programs resulted in the demolition of numerous dwelling units: urban renewal—404,000 (up to Jan. 1, 1968); National Interstate Highway Act of 1956—330,000 (up to 1968); public housing—177,000 (up to 1968); other demolition required as a condition of receiving public housing funds—143,000 (up to 1968). BUILDING THE AMERICAN CITY at 80-82.

except in the atypical, cohesive neighborhood—would probably have resulted in more abandoned buildings.¹²²

In sum, the following events seemed to occur as the result of federal policies in relation to the cities: policies stimulating an increase in the wages of workers (black and white) through such devices as the Wagner Labor Relations Act and the minimum wage laws and policies, which attempted to remove historic discriminatory practices against blacks, had the effect of increasing the income of the working class. In turn, this stimulated them to seek better housing, usually in lower-density neighborhoods. This fueled the process of urban sprawl as large numbers of persons in each metropolitan area moved into lower-density neighborhoods. As long as migration from rural areas into the cities continued, the movement out of the old neighborhoods was not noticed. During the middle 1960's, the movement out accelerated and the movement in declined. Thus, suburban sprawl continued (aided also by whites moving into outer suburbia as middle-income blacks moved into previously all-white areas) and the abandonment of inner cities grew.

The federal dollar commitment to the "cities" has really been a commitment to improving personal incomes. Of approximately \$96 billion allocated for "public welfare," as defined by one author in 1971, only about 6.2 per cent was specifically devoted to "urban housing and facilities," "anti-poverty programs" and "manpower development programs"¹²³ (and the latter two are in large measure aimed at increasing personal income). Direct increases of income constitutes the bulk of federal public welfare spending; however, nearly \$68 billion or about 71 per cent of the total, was for individual transfer payments,¹²⁴ which were generally similar in size regardless of where the individual lived. As mentioned previously, an undetermined number of individuals receiving such transfer payments were therefore allowed to seek better housing outside of the oldest areas (and in some cases, outside of the central city itself); but the fact remains that the mix of federal policies seemed, on the whole, to favor abandon-

122. *Id.* at 83. Another estimate of government-caused demolition between 1950 and 1968 is 2.38 million dwelling units. At the same time, demolition by private action was estimated at 2.35 million. Since 1968, the final year of the estimates, it is likely, although speculative, that private demolition of buildings has exceeded that caused by public action.

123. *Changing Nat'l Priorities* at 46.

124. *Id.* at 53.

ment of the central cities. It is likely that, overall, this is a beneficial policy, since many persons are now living in more favorable neighborhood environments. The policies were (in the author's opinion, correctly) aimed at persons living in central cities, rather than at the problems of central cities. Thus, since individual persons were aided, they often responded not by remaining in the old slum neighborhoods and improving their lot, but, instead, improved their lot by moving out of the old slum neighborhoods into better neighborhoods.¹²⁵

E. The Limitations of Federal Influence

Although the federal influence on locational decisions is extensive, it is by no means comprehensive. Approximately 80 per cent of the market decisions are out of the hands of the federal government,¹²⁶ although a portion of these are influenced by federal infrastructure policies and grants-in-aid to states and localities. As the examples noted indicate, however, the federal impact on population ranges in all directions and will not readily be susceptible to simple statements of national growth policy unless the substantive acts of Congress described in this paper are also given attention. The next section describes some of the recent Congressional actions to develop a national growth policy and lists some additional possible actions which could be considered if an intensive program to influence population distribution is undertaken.

V. THE POSSIBILITY OF POLICY

Efforts to utilize changes in federal policy to foster a specific national growth policy are extremely difficult largely because of the immensely complex influence of federal legislation. Indeed, as the previous section indicated, the federal government is involved in affecting locational decisions in so many ways that it is virtually impossible to separate out the strands of the various policies and appropriations. Individual pieces of legislation are often known only to their

125. This sparked a significant amount of literature decrying the loss of old, picturesque neighborhoods. See, e.g., J. JACOBS, *THE LIFE AND DEATH OF AMERICAN CITIES* (1961). There were, of course, many persons who stayed in their old neighborhoods; also, in some isolated instances (normally, one or two in each city), the area became "fashionable" and attracted upper middle-class renovators.

126. That is, of a gross national product of over one trillion, federal expenditures constitute over \$200 billion or about 20 per cent.

narrow range of proponents who see only the small benefit to their area by the addition of thousands of persons as a result of a defense expenditure decision here, a location of a Job Corps there or a special research grant to a university somewhere else. The hidden effect of cumulative changes in population distribution is uncalculated because it is unknown.¹²⁷

A. General National Growth Policies

Congressional enactment of national growth policies appear to be limited to general directives to administrators or local units of government to develop policies of metropolitan growth and stimulation of under-developed areas. To date, Congress has not dealt specifically with the more basic federal impacts arising from expenditures and policy patterns. Congress may, for example, call for a deconcentration of metropolitan development and then extend the interstate highway system for several more years, which would itself contribute substantially to metropolitan concentration.

What is not present, indeed, is a federal policy which would view the total effect of federal actions; one which would "encourage examinations of the net impacts of federal actions on an area, rather than merely project-by-project review; . . . shift the time horizon from the review of present proposals to the coordinated planning of future ones; and . . . ensure comprehensive planning of the uses of federal lands."¹²⁸ (As noted in the conclusion, it is by no means certain that the centralized planning implied by this objective would be desirable.)

With the recent interest in national growth policy, Congress has begun to respond. The initial major attempt in the 1970 Housing and Urban Development Act,¹²⁹ however, appears to have been a statement of generalities about desirable policies. For example, the Act calls for "wise" development in both large cities and small cities, comprehensive treatment of problems associated with "disorderly urbanization and rural decline" and, generally, for better coordination,

127. See Winnick, *Place Prosperity v. People Prosperity: Welfare Considerations in the Geographic Redistribution of Economic Activity*, in *ESSAYS IN URBAN LAND ECONOMICS* 273 (U.C.L.A. Real Estate Research Program 1966).

128. Andrews, *Three Fronts of Federal Environmental Policy*, *J. AM. INST. PLANNERS* 258, 264 (1971). See also Lichfield, *Cost Benefit Analysis in Urban Expansion*, 3 *REGIONAL STUDIES* 123 (1969).

129. 42 U.S.C. §§ 4501 *et seq.* (1970).

analysis and planning.¹³⁰ Thus, rather than deal specifically with population movements (a politically undesirable position), the purposes of the Act are apparently designed to please a variety of interest groups and alienate none. Although there seems to be an intent to reverse the continued growth of metropolitan areas and stem the decline of small areas, the Act still calls for "continued economic strength of all parts of the United States."¹³¹ But often, increasing the economic strength of metropolitan areas may mean drawing persons (and businesses, particularly service businesses) from rural areas. Moreover, the Act refers to "desirable patterns of urban growth and stabilization"¹³² without taking a stand on specifically what is desirable. Although this is understandable from a political perspective, the lack of concrete policy removes any teeth from the so-called national growth policy.

Compare, for example, the specific tools recommended by the Advisory Commission on Intergovernmental Relations (ACIR). The group's 1968 report recommends a more comprehensive federal approach and suggests such federal devices as federal monetary incentives to guide location of industry (such as tax incentives, below-market rate loans or direct grants), preference in awarding public

130. *Id.* § 4502(d). The goals set forth:

(1) favor patterns of urbanization and economic development and stabilization which offer a range of alternative locations and encourage the wise and balanced use of physical and human resources in metropolitan and urban regions as well as in smaller urban places which have a potential for accelerated growth;

(2) foster the continued economic strength of all parts of the United States, including central cities, suburbs, smaller communities, local neighborhoods, and rural areas;

(3) help reverse trends of migration and physical growth which reinforce disparities among states, regions, and cities;

(4) treat comprehensively the problems of poverty and employment (including the erosion of tax bases, and the need for better community services and job opportunities) which are associated with disorderly urbanization and rural decline;

(5) develop means to encourage good housing for all Americans without regard to race or creed;

(6) define the role of the Federal Government in revitalizing existing communities and encouraging planned, large-scale urban and new community development;

(7) strengthen the capacity of general governmental institutions to contribute to balanced urban growth and stabilization; and

(8) facilitate increased coordination in the administration of federal programs so as to encourage desirable patterns of urban growth and stabilization, the prudent use of natural resources and the protection of the physical environment.

131. *Id.* § 4502(d)(2).

132. *Id.* § 4502(d)(8).

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contracts or construction of buildings, influencing population distribution by resettlement allowances, selective on-the-job training grants, variations in public assistance standards, family planning for persons in low-income areas and federal assistance in new town development.¹³³

Another focus of current national growth policy frequently recommended is the development of a new town, which can be either free-standing (built "from the prairie"), a satellite of an existing metropolitan center, a new town in town, or stimulated development of an existing small town.¹³⁴ The New Communities Act of 1968¹³⁵ stated that stimulating new towns is a key part of a national growth policy and provided for mortgage insurance to provide incentives for construction of such new towns.¹³⁶ In 1970, federal assistance in this area was expanded to allow federal guarantee of debentures and matching grants to finance certain initial development costs.¹³⁷ Even with such assistance, however, development of a new town is not an easy task, particularly since the legislation has added on a host of complicating factors, such as the need to have control of the land and to be consistent with local planning and other laws.¹³⁸ Furthermore, the federal mandate to include low and moderate-income housing will often, in the real world if not in the world of liberal ideologues, make it difficult to produce the middle and upper-income housing necessary if the project is financially feasible.¹³⁹ Still, however, some new town developments are under way, primarily on the fringes of metropolitan areas and therefore offer some possibility of guiding urban growth in a more desirable fashion. The new town legislation may also facilitate a more ordered redevelopment of abandoned areas in the central cities once the process of abandonment has reached the stage of near-completion. It has been suggested that the existing legislation is not

133. ACIR REPORT at 138-58.

134. R. HANSON, *NEW TOWNS: LABORATORIES FOR DEMOCRACY* 5 (Report of the Twentieth Century Fund Task Force on Governance of New Towns 1971). The literature on New Towns has become voluminous since 1970, and this work by no means covers even a significant minority of the pieces written on the subject.

135. 42 U.S.C. §§ 3901 *et seq.* (1970).

136. *Id.* § 3906.

137. *Id.* §§ 4514-20.

138. *Id.* § 4513.

139. See generally Clapp, *Potentially "Counter-Intuitive" Elements in Federal New Communities Legislation*, 9 SAN DIEGO L. REV. 1 (1971).

sufficient to stimulate the development of a large enough number of new towns and that substantial additional subsidies, coupled with a "de-categorizing" of grants and the focusing of efforts on selected cities, rather than widespread dispersal over many cities, will be necessary.¹⁴⁰ It has also been suggested that this could best be done by vesting funds and control in a single federal agency.¹⁴¹

Most new town development, however, is privately financed and not the result of any conscious governmental decision, aside from normal tax and insurance devices available in any new development.¹⁴² The ACIR, for example, lists 53 "New Community Developments" in progress in March, 1968; over half were in Florida and California and largely in already urbanized areas, compared to the 12 New Towns authorized by federal legislation in 1971. Total population projection of the 1968 New Towns was about 3.6 million or about 1.5 per cent of the national population. Over one-third, however, would be in three large cities in southern California.¹⁴³

Privately sponsored new towns appear essentially to provide a much better planned exurbia around existing major population centers, rather than bring about a shift in population from these centers. It is doubtful that a federal new town policy could do any differently, since new towns will be constructed only where a market exists for housing and thus will be attracted to areas where jobs exist or where the climate is acceptable. Indeed, one HUD official, involved in the implementation of the 1970 legislation, has stated: "We see our role as helping to organize growth in areas where it is bound to occur anyway by assuring appropriate land-use planning, a varied mix in housing types, affirmative action to insure equal opportunity in jobs, and other desirable goals."¹⁴⁴

140. H. GARN, *NEW CITIES, NEW COMMUNITIES AND GROWTH CENTERS* 12-14 (Urban Inst. Paper No. 113-30, 1970). Focusing efforts in several areas, rather than dispersing them over a large number, is also recommended in Barnard, Macmillan & Malri, *Evaluation Models for Regional Development Planning*, 23 *PAPERS OF THE REGIONAL SCIENCE ASS'N* 117, 132 (1969).

141. H. GARN, *supra* note 140, at 15.

142. That is, such devices as FHA mortgage insurance and interest subsidy programs and the variety of federal grant-in-aid programs mentioned elsewhere in this article.

143. ACIR REPORT at 78.

144. Quoted in Stratford, *New Cities—How Strong a Role Will the Federal Government Play?*, *GOVERNMENT EXECUTIVE* 52 (1971).

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B. Policies to Shape Metropolitan Growth

Other tools have been devised to shape the development of metropolitan growth rather than affect the pace of that growth itself. The National Environment Policy Act of 1969,¹⁴⁵ recognizing the need for understanding the influence of population growth and high-density urbanization, calls for the federal government to "use all practicable means" to achieve a balanced environment.¹⁴⁶ Specifically, the Act calls for a variety of studies and the submission of an "environmental impact statement" in all major federal actions.¹⁴⁷ The Act and the planning review procedures set forth by Congress in 1966 and 1970 for area-wide "councils of government" (COG) still have their basic effect in the coordinated development of metropolitan areas.¹⁴⁸ All of the acts are designed to ensure that metropolitan development projects do not overlap or that they are carried out pursuant to some general plan.

The environmental impact statement approach calls for an intensive analysis of each particular federal enactment, with the probable hope that the Regional Councils of Government established under the 1962 highway amendments¹⁴⁹ and the 1966 Demonstration Cities and Metropolitan Development Act¹⁵⁰ will be able to merge all proposed developments into a single comprehensive plan. Such a goal assumes at least three factors:

- (1) The intellectual ability exists to comprehend the full impact of all proposed changes in a metropolitan area and the interrelationships between these changes.
- (2) The planners have the power to implement such changes.
- (3) Federal actions play the dominant role in shaping metropolitan development.

All three assumptions are doubtful. The amount of data which must be assimilated to judge the primary, secondary and tertiary effects of a particular large project is immense; when such judgments must be made simultaneously for several projects, the mind boggles

145. 42 U.S.C. §§ 4331-35 (1970).

146. *Id.* § 4331.

147. *Id.* § 4332. See Donovan, *The Federal Governments and Environmental Control: Administrative Reform on the Executive Level*, 1 ENVIRONMENTAL AFFAIRS 304 (1971).

148. See note 8 *supra*.

149. 23 U.S.C. § 134 (1970).

150. 42 U.S.C. §§ 3331-39 (1970).

at the possibility of a small group of planners being able to adequately judge the effects¹⁵¹ (not to mention their political superiors who, under the COG approach, make the policy decisions, often at two-hour weekly or monthly meetings).¹⁵² Moreover, regional COG's have only the power to recommend a veto to the federal establishment;¹⁵³ therefore, any particular development may be overridden by political considerations of an individual federal department or by simple disagreement with the regional COG. In addition, a substantial amount of development is private—new industries or subdivisions are built on the periphery based on the probability of a new highway. For example, once an area is developed, it is difficult for the planners to ignore the mounting traffic jams and refuse new highway construction, despite the fact that this may stimulate further urban sprawl. Further examples abound throughout the whole scheme of metropolitan government.¹⁵⁴

Some proposals attempt to influence growth by influencing the price of land, in effect using a market approach rather than a planning approach. This is the essence of a plan to shape metropolitan growth advocated by Congressman McCloskey of California. His plan would create a National Land Use Commission empowered to designate areas for urban development, agricultural use, conservation and recreation, with compensation for any decrease in the value of property so designated.¹⁵⁵ A fund, with one billion dollars from general revenue and supplemented by money accruing from special assessments on increases in property value resulting from Commission designation, would be

151. For the difficulties of comprehensive planning see Goldner, *The Lowry Model Heritage*, 37 J. AM. INST. PLANNERS 100 (1971).

152. Policy-makers in a metropolitan area will often overturn "planning" decisions to reflect deeply held views of their constituencies. For a discussion of the political nature of local planning see Altshuler, *The Goals of Comprehensive Planning*, in NEIGHBORHOOD, CITY AND METROPOLIS 890 (R. Guttman & D. Popper eds. 1970); Wildavski & Wily, *American Cities Are Pluralist*, in POLITICS IN THE METROPOLIS 346 (J. Dye & B. Hawkins eds. 1967).

153. Demonstration Cities and Metropolitan Development Act of 1966, 42 U.S.C. §§ 3331-39 (1970).

154. Sewer construction, school construction and additional parks can hardly be denied to areas once private development has increased the population.

155. McCloskey, *Preservation of America's Open Space: Proposal for a National Land-Use Commission*, 68 MICH. L. REV. 1167 (1970). See also Abrams, *supra* note 2, at 215 (federally created Urban Space Agency would purchase land and control development in large metropolitan areas). Some portions of the 1970 New Communities legislation may assist in this. See Clapp, *supra* note 139, at 82.

used to make these payments. This plan could impose order on metropolitan growth, assuming that receipts and expenditures would roughly balance. It would probably affect relative population levels between metropolitan areas only marginally; however, the major effect of restricting residential development in one part of the metropolitan area would be to stimulate it in another part.

Urban sprawl could also be retarded by deliberate policies to increase the densities of central cities. Although past policy has often been directed at decreasing density, it was formulated in a time of overcrowded slums in the central cities. The new phenomenon, at least in some cities, is that slum areas are rapidly being abandoned. If density were restored (although not to the degree that existed two decades ago), this would be a limitation of urban sprawl. Every new unit constructed in the central city which attracts middle-income occupants means one less unit required on the periphery. Eventually, the private market on the periphery for new housing would be reduced (to the extent that units in the central city for middle-income persons were utilized), thus retarding urban sprawl. The precise magnitude of such a transfer of demand depends on the number of units which could reasonably be constructed in abandoned areas of central cities. Even here, however, problems would exist. New construction on the fringes could proceed with conventional financing. The effect of core city redevelopment would be a reduction in the number of middle-income families, who are a more likely market than upper-income families for new FHA financed homes.¹⁵⁶ If the central cities were rebuilt for middle-income families, moreover, the lower-income families who were displaced could receive improved housing through an expanded system of housing supplements: subsidized rents for a certain number of years in used (but better than they had previously) housing. This approach, partly in effect now as the 1970 Relocation Act,¹⁵⁷ provides for payments up to four years for dislocated tenants. Although urban renewal may initially decrease density of

156. The current limit is \$33,000 for a single-family home. 12 U.S.C. § 1709(b)(2) (1970).

157. 42 U.S.C. § 4624(1) (1970). The Act provides for a moving expense allowance up to \$300 and a dislocation allowance up to \$200. *Id.* § 4622(b). The Act also provides for replacement cost of housing up to \$15,000. *Id.* § 4623(a)(1). Replacement housing payments for tenants is provided up to \$4,000. *Id.* § 4624(2). This Act applies to all federal or federally financed projects which cause displacement. *Id.* § 4624(1).

land,¹⁵⁸ if placed in areas already being abandoned, it will eventually increase density over what it would have been after a long period of abandonment.¹⁵⁹

As a third possibility, the federal government could require specific state legislation to guide development as a condition of continued federal aid. Five common techniques have been identified for use in state land control:¹⁶⁰ (1) tax incentives to provide open space, such as taxing undeveloped land on its present use, rather than on its potential use¹⁶¹ or purchase of development rights by the state;¹⁶² (2) state guidelines for local developers;¹⁶³ (3) direct state control over areas of significance;¹⁶⁴ (4) state controls of land over a minimum acreage, with smaller acreages left to local government;¹⁶⁵ (5) state-wide land use planning and zoning controls.¹⁶⁶

A probable development will be efforts to control land use within the megalopolises either through state zoning policies or through a national zoning policy.¹⁶⁷ One author has suggested that this will allow at least the more wealthy to live in the more remote and environ-

158. See H. GANS, *PEOPLE AND PLANS* 260-277 (1968); Hartman, *The Housing of Relocated Families*, 30 J. AM. INST. PLANNERS 266-86 (1964).

159. See L. NEDDLEMAN, *THE ECONOMICS OF HOUSING* (1965); Muth, *Urban Land and Residential Housing Markets*, in *ISSUES IN URBAN HOUSING* 285-333 (H. Perloff & L. Wingo eds. 1968).

160. Haskell, *New Directions in State Environmental Planning*, 37 J. AM. INST. PLANNERS 253, 356 (1971).

161. WASH. REV. CODE ANN. § 84.34.060 (Supp. 1971).

162. VT. STAT. ANN. tit. 10, § 6303 (Supp. 1972).

163. Minnesota, Vermont and Wisconsin have guidelines for shorelines and flood plains, with state pre-emption if the local unit does not enact ordinances. MINN. STAT. ANN. §§ 105.485, 104.01 to -.07 (Supp. 1972); VT. STAT. ANN. tit. 10, §§ 1102, 1104 (Supp. 1972); VT. STAT. ANN. tit. 24, § 4410a (Supp. 1972); WIS. STAT. ANN. §§ 59.971, 87.30 (Supp. 1972).

164. Development of wetlands requires a permit in Maryland and New Jersey. MD. ANN. CODE art. 66c, § 726 (Supp. 1971); N.J. STAT. ANN. §§ 13:9A-1 *et seq.* (Supp. 1972). Similar controls are employed in other states. VT. STAT. ANN. tit. 10, § 6081 (Supp. 1972); WASH. REV. CODE ANN. App. 90.286x (Supp. 1971).

165. ME. REV. STAT. ANN. tit. 12, §§ 681-85c (Supp. 1972); VT. STAT. ANN. tit. 10, § 6001(3) (Supp. 1972).

166. HAWAII REV. LAWS §§ 205-2, -6 (Supp. 1971).

167. For federal open-space legislation see Jackson, *Environmental Quality, The Courts, and the Congress*, 68 MICH. L. REV. 1077 n.1 (1970).

mentally pleasing areas,¹⁶⁸ while the rest of the population strives for that goal. The great "supermetropolises" would then contain large areas of "isolated"¹⁶⁹ homes, the forerunners of which can be seen in the recently developed "lake communities" in the outer fringes of many metropolitan areas.

C. Policies to Reverse Metropolitan Growth

Several proposals have been made which would specifically be designed to reverse metropolitan growth. Former Agriculture Secretary Freeman has called for "a total national planning effort to reverse metropolitan concentration."¹⁷⁰ Freeman notes that planning is being carried out by 3,000 Technical Action panels in rural counties and that at least 30 states have multi-county planning agencies, mostly in rural areas. Noting that "plans and expertise are nothing without action . . . [and] money,"¹⁷¹ he calls for a Town and Country Development Bank, to make loans for development programs to small businessmen and for housing.¹⁷² He also calls for (1) rural industrialization, special locational tax subsidies and a good environment; (2) federal activity to decentralize activity to less congested areas, noting that the Department of Agriculture will do this if it can be done "without sacrificing essential program objectives and with due consideration being given to the efficient administration of the Department's programs";¹⁷³ (3) meaningful farm bargaining power, a grain reserve and better food programs for the poor to maintain farm prices; (4) revitalized education in rural areas, with a reorientation of manpower programs to rural as well as to urban areas; (5) more federal aid to water and sewer systems, noting that 33,000 rural areas

168. Schelle, *Urban Housing: An Apologetic for a Radical Gestalt: Features of a Housing Market Mechanism to Promote Initiative and Excellence*, 45 J. URBAN L. 347, 358, 373 (1967).

169. Berry, *The Geography of the United States in the Year 2000*, EKISTICS 339 (1969). Another author calls for developing such physical structures as a "man-made Santa Monica mountain" or a "linear Babylon." Cities would "bridge over water or parklands resembling a giant, inhabited aqueduct." Schelle, *supra* note 168, at 358.

170. Freeman, *Toward a National Policy on Balanced Communication*, 53 MINN. L. REV. 1163, 1168 (1970).

171. *Id.* at 1171.

172. *Id.* at 1172.

173. *Id.* at 1174.

lack central water systems, and 43,000 lack adequate waste disposal systems; and (6) New Towns.¹⁷⁴

Another possibility is shifting farm crop subsidies to income subsidies, whereby every farmer would be guaranteed a certain income, with a sliding scale. Under this plan, a reduction in crop prices would have no effect on the farmers' income, but the influence of large subsidies which allow large farmers to undercut small farmers in the price-supported market would be eliminated.¹⁷⁵

For example, suppose each person who farmed at least 60 acres was assured an income of \$10,000 a year, subject to being reduced if adequate efforts were not made to produce a reasonably full crop. Elimination of subsidies would lessen the advantage possessed in some crops by large farmers, thus reducing the cost of land and stimulating relocation of persons wishing to be farmers.¹⁷⁶ Because of the guaranteed income, bank financing to purchase the land could more readily be forthcoming (perhaps guaranteed by a farm equivalent of the Federal Housing Administration). Equipment pools could be established (similar to those in the Plains States¹⁷⁷) to assist in maintaining productivity, which would decrease to some extent, resulting in somewhat higher food prices for non-farmers (but in effect, this is simply raising the cost of this aspect of the decentralization program). Enforcement of the acreage limitation in the reclamation law, which restricts delivery of federally financed irrigation water to family-sized farms, would stimulate additional family farms.¹⁷⁸

D. *Policies to Shape General National Population Movements*

The previous set of policies (actual and potential) discussed would either set forth general vague principles (the Housing and Urban

174. *Id.* at 1175.

175. This has been proposed in L. KEYSERLING, *AGRICULTURE AND THE PUBLIC INTEREST* (1965).

176. The average farm size has increased from 215 to 380 acres in the last 20 years. Barnes, *The Vanishing Small Farmer*, 164 *NEW REPUBLIC* 21 (June 12, 1971).

177. *See, e.g.*, N.D. CENT. CODE §§ 36-08-01 to -10 (1972).

178. Water furnished under the Reclamation Act of 1902 was to be limited to farms with 160 acres or less, but administrative rulings, such as allowing water delivery after basic construction costs have been met through charges, have allowed diversion to larger farms. A. GOLZE, *RECLAMATION IN THE UNITED STATES* 67 (1961). *See* NATIONAL COUNCIL OF CHURCHES, *ETHICAL ISSUES IN COMMERCIAL AGRICULTURE* 17 (1970); Barnes, *supra* note 176.

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Development Act of 1970), attempt to control or guide urban sprawl (the McCloskey proposal), or attempt to reverse urban sprawl in favor of increased rural or small-town development. The final possibility of policy would be attempts to generate wide-scale population shifts. This level of policy, not yet introduced in any serious manner, would be aimed at retarding (or even reversing) the growth of such super-metropolises as Boswash, SanSan, Chipitts or Florida. It is probably the most politically unacceptable, but also the most deep-rooted policy for bringing about a rational population distribution pattern.

Wide-scale population shifts could be accomplished in three general ways: adopting specific guidelines on the subsidies enacted by Congress, letting of direct governmental contracts and providing special tax inducements.

1. Subsidy Policy

First, Congress could effectively "red-line" whole sections of the nation by refusing to underwrite FHA mortgage insurance on new homes or by withdrawing any federal mortgage insurance or housing grants from such areas. Suppose, for example, that Congress determined that southern California had quite enough persons residing in it.¹⁷⁹ It could then repeal the existing home mortgage insurance legislation and enact in its place special legislation to provide for the settlement of areas which are now underutilized, *i.e.*, all areas with less than 10 million persons within a 20,000 square mile area. This would eliminate not only Los Angeles, but whole sections of the Northeast and, in several years, the Chicago area. The effect would be to raise housing costs in these areas, and thus to act as a brake on new development and population growth. The Federal-Aid Highway Act could be amended to forbid the construction of any new highways in metropolitan areas over a certain size (say, 250,000) with aid channeled instead to smaller areas (a recent program announced by the Secretary of Transportation would focus a small amount of federal highway money on growth centers).¹⁸⁰

2. Tax Policy

Congress could provide a lower tax rate for corporations operating in metropolitan areas under 250,000, as defined by the Department of

179. California, however, has had a net migration of zero in the last year, and future growth may be restricted to natural increase.

180. *Administration Plan: Switch Highway Funds to Mass Transit*, U.S. NEWS AND WORLD REPORT, Mar. 27, 1972, at 63.

Commerce. This rate could be lowered to the degree necessary to secure substantial relocation of industry. Even with zero tax in such areas, of course, some industries would prefer to remain in larger population centers. But they would pay for whatever advantages they had in such larger areas by competing with smaller areas. Actually, the movement would be a slow shift, since large capital facilities already in place could only be slowly shifted to smaller population areas.¹⁸¹

3. Expenditures Policy

Congress could limit the number of defense contracts in a given state to a certain percentage of all defense contracts issued in the country, with the computations being retroactive to the last 10 years. This would eliminate California and several other states from any future defense contracts for several decades.¹⁸² Congress could also use its power to spend "new money" in the next decade to influence growth policy. The possible future reduction in defense expenditures (the "peace dividend") could release tens of billions of dollars as could the normal growth of the economy (the so-called "fiscal dividend"). This money will be spent in some way, if not by the federal government, then by private consumers who, because of lower federal taxes, will likely increase their level of expenditure.

In either event, the expenditure decisions will have effects on population distribution. An increase of private expenditures by \$20 billion, for example, will increase or decrease the growth of various population centers in the nation, depending upon the flow of dollars after they leave the consumer's hands (a sudden upsurge in automobile spending, for example, will tend to increase population around Detroit, just as a sudden decrease would tend to decrease population around Detroit).

181. See ACIR REPORT at 139.

182. Although this would increase the costs of defense expenditures, since non-cost considerations would be multiplied, the excess would simply be the effective cost of this element of national growth policy. Social costs would be borne by defense workers forced to move, but these are costs normally incurred by such workers no matter what the mechanism for awarding defense contracts. One study notes that an independent study board recommended to Congress in 1967 that regional development considerations should be a part of defense contract decision making, but that Congress has acquiesced only where costs are equal. W. ALONSO, PROBLEMS, PURPOSES AND IMPLICIT POLICIES FOR A NATIONAL STRATEGY OF URBANIZATION 16 (Working Paper No. 158, Inst. of Urban & Regional Dev., U. of Calif., Berkeley, 1970).

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Existing spending could be redirected to smaller towns. One method would be federal aid to colleges and universities.¹⁸³ All aid to universities with enrollment over a certain number (say, 10,000) could be reduced and channeled instead to smaller colleges in smaller towns. The effect of this would be to increase aid to many satellite colleges in small towns and reduce the concentration of student population in larger college towns. There could also be tax exemptions for firms locating in such areas. The adverse effects this could have on the nature of the university system is a rather good example of the fact that national growth policy (or population redistribution policy) is normally subordinate to other considerations.¹⁸⁴

VI. CONCLUSION

Developing a national growth policy is a formidable task, with implications far beyond the recent attempts to stimulate planning and policy development. Unless national growth policy is tied to other aspects of federal subsidy, regulation, grant, expenditure and tax policy, it will probably have little impact. On the other hand, a development of a comprehensive policy which does take into account the multitude of federal activities involved in national growth policies may well be beyond the capacities of decision-makers to assimilate. A true national growth policy, in other words, may simply be impossible. Furthermore, other political factors will normally take precedence in the budgetary process.¹⁸⁵

Such a situation is not without its drawbacks. The location of one's residence is a highly personal thing and one could argue that the federal government should not have conscious power to stimulate relocation of persons. On the other hand, the day-to-day decisions of the federal government in fact do stimulate relocation in all parts of

183. Since the passage of the Merrill Land Grant Act of 1862, ch. 130, 12 Stat. 503, *as amended*, 7 U.S.C. §§ 301-08 (1970) (agricultural and mechanical colleges), aid to colleges and universities has been an acceptable practice. Other landmark legislation includes the National Education Act of 1958, 20 U.S.C. §§ 401-03 (1970) (National Defense Education Program).

184. The Education Amendments of 1972, amending Title IV, part A of the Higher Education Act of 1965, 20 U.S.C. §§ 1061-69 (1970) somewhat favor small colleges (which are not necessarily in small towns) in the grant program for undergraduate students. The grants are \$500 per reimbursable student in institutions under 1,000 students and are scaled downward for additional reimbursable students in larger institutions.

185. For a general description of federal budgetary development see A. WILDAVSKY, *THE POLITICS OF THE BUDGETARY PROCESS* (1964).

the country. Does one prefer activist bureaucrats to ignorant bureaucrats?

National growth policy would also have to develop a specific set of goals, rather than the generalized goals set forth in the Housing and Urban Development Act of 1970.¹⁸⁶ Should suburban sprawl be stimulated? Should rural decline be halted? Should megalopolitan concentration be slowed? Should central city densities be increased? In one sense, these are political questions since they entail value judgments. In a larger sense, however, they are personal questions which arguably should not be subject to any conscious national policy. Indeed, one can argue that two major forces influence population distribution: the free market and the de facto uncontrolled activities of government. Conscious direction of neither, it could be argued, should be sought. This view would hold a highly sophisticated national growth policy undesirable on the grounds of excessive federal interference in personal lives, and would limit federal intervention only to clear instances where the need to avoid a specific, generally agreed undesirable population shift would be present (as, for example, efforts to save the family farms in the 1930's). More general movements, however, would be left to the free choice of individuals with the hope that, if at some point megalopolitanism became too burdensome, individuals would begin to seek their residence elsewhere. It would be preferable if the free market of residential location could be generally retained; whether it is possible without some measure of federal intervention is a matter to be seen.

186. See note 130 *supra*.

STATUTORY COMMENTS

